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TO: Marcia Mittnacht, Director of Special Education Planning & Policy Development
Department of Education
FROM: Therese Murphy-Miller, DOE/DMR Project Manager
Department of Mental Retardation
DATE: August 29, 2007
RE: DOE/DMR Community/Residential Education Project
FY07 End of Year Report

As referenced in the Department of Education (DOE) and Department of Mental Retardation (DMR) Interagency Agreement, the following report provides a summary of the DOE/DMR Community/ Residential Education Project, including enrollment numbers, expenditures, savings generated by the Project and potential policy implications related to the FY07 data. Historical data information is also provided to allow for a broader review and analysis of the DOE/DMR Project activities since the formal operations of this Program starting in FY97.

The goal of the Community Residential/Education Project (the "Project") is to facilitate effective transitions from school life to more independent life within the community for students receiving publicly funded special education services who also meet the DMR eligibility criteria for services. This goal can be accomplished by supporting less restrictive, more cost effective residential options, special education services and community based supports.

EXECUTIVE SUMMARY

The DOE/DMR Project for FY07 proved to be another successful year. The total number of participants who received Project supports totaled 366. Of that number, there were 66 new participants. There were 16 participants who left the project for a residential school placement. Thus the participant retention rate for the Project in FY07 is 96%.

The average student cost (prevention) for Project participants in FY07 is \$24,425. For DOE, their average cost for a residential placement in FY07 is \$56,192. As a result the DOE/DMR cost to support children in their home and community is 57% less had they been placed in a residential school placement. This cost reduction results in approximate savings of \$8,418,225 for FY07. For students who have returned home from a residential school placement and received intensive home and community supports, the average cost is \$31,149. Given the DOE residential cost in FY07 of \$56,192, this amounts to a 45% cost reduction resulting in savings of \$325,559. In total this amounts to an estimated savings to DOE of \$8,743,784 in FY07.

The satisfaction and positive comments from families speaks to the success of the Project and to the belief that families need to be integrally involved in choosing the services they need to support their child in all facets of their lives. The positive outcomes of this Project are often acknowledged by families that stress the improved lives of their child and family. "Sean's participation in the DOE/DMR has helped provide him with the needed supports so that he can live at home and be an involved member of his local community..." "The Project has enabled our son to have a more productive life..."

The continued success of this Project and the increasing demand for participation continues to exceed the Project resources. At the end of FY07 there were 205 pending applications waiting for funding approval. The extensive submission of application requests and limited Project resources has resulted in an approximate 2 year wait. Of the total number of pending applicants in FY07, 6% withdrew their application for a more restrictive and costlier residential school placement.

FY07 PROJECT DATA ACTIVITY

In FY07 the total project allocation remained at \$8 million. Following, is the breakdown of the Project participant activity for FY07. Please note that each of these activity counts is independent of the other activities listed.

Number of new students prevented from an initial special education school placement	61
Number of new students who returned from a residential special education school placement	5
Number of students who turned 22 (aged out of Project)	12
Number of students who terminated from the Project to enter a residential school setting	16
Number of students who terminated from the Project for other reasons: 1- moved to a community placement, 2- no longer DMR eligible, 1- deceased, 2- no longer meet criteria, 1- moved out of state	7
Number of pending applicants who withdrew their application: 12- residential, 2- DSS custody, 1- left state, 1- decease	16
Number of applications submitted during FY07	104
Number of applications pending as of 6/30/07	206
Number of school districts supporting DOE/DMR participants	140

FY07 DOE/DMR TOTAL PARTICIPANT DATA SUMMARY

During fiscal year 07 there have been a total of 366 students participating in the Project. Of that number 13 have returned home from residential education placements, the remaining 353 have utilized the Project to obtain a diverse array of supports as an alternative to an initial residential special education school placement.

The following tables represent the total summary of all Project participants in FY07. This data is inclusive of all participants in FY07.

FY07 totals

Number of students in the Project	366
Number of participants prevented from initial residential special education school placement	353
Number of participants who returned from a residential special education school placement	13

Age ranges of FY07 participants

Number of students under the age of 12	110
Number of participants between the ages of 12 and 16	99
Number of participants over the age of 16	157

Average support cost (based on total FY07 participants with an annual allocation)

Average cost per student who received supports as an alternative to initial residential school placement (n= 265)	\$24,425
Average cost per student who returned home from a residential school placement based on actual support cost (n= 13)	\$31,149
Average DOE residential reimbursement cost per student (DOE fiscal unit)	\$56,192

TYPES OF COMMUNITY BASED SUPPORTS UTILIZED

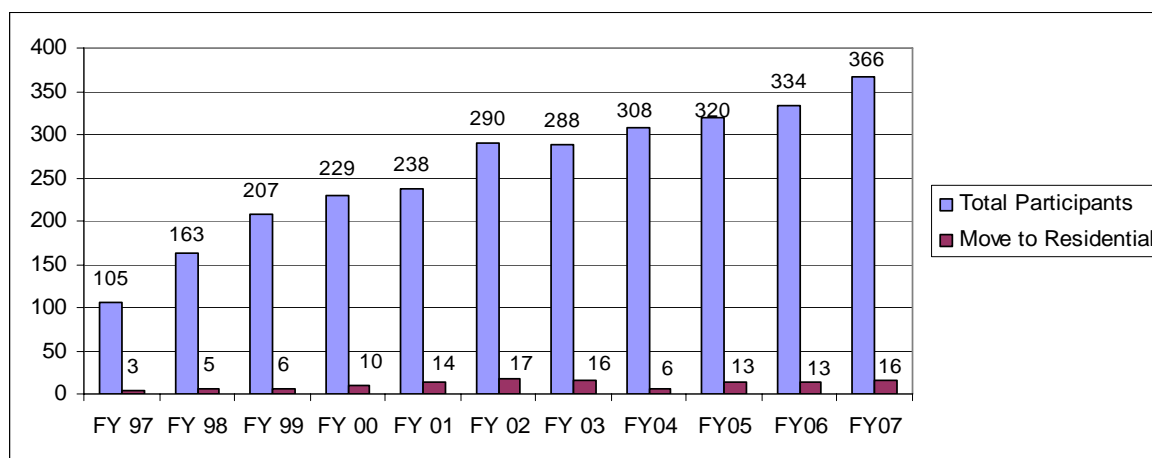
As indicated in previous years, the support services purchased to maintain community-based alternatives to residential placements, meet a wide range of needs. The following represents a sampling of supports and services provided in FY07:

- ❖ Behavioral training and consultation
- ❖ Adaptive therapeutic equipment (recreational/sensory apparatus)
- ❖ Educational supplies (computer, teaching materials, consultation, etc)
- ❖ Emergency/crisis support
- ❖ Environmental modifications (home, vehicle)
- ❖ Paid support staff (case manager, respite, skills trainer, home aid)
- ❖ Recreational fees/membership
- ❖ Social Skills training
- ❖ ABA training
- ❖ Participation in inclusive recreational activities
- ❖ Specialized therapeutic activities (hippo therapy, hydrotherapy, music therapy, art therapy)
- ❖ Professional consultation (speech, communication, OT)
- ❖ Cash stipends for purchase of goods and services
- ❖ Parent training, capacity building

In FY07, the Project allocation along with the attrition of some Project participants, allowed 67 new participants to enter the Project. While the Project is able to successfully maintain the majority of the total student participants, 16 students who received Project supports withdrew from the Project to enter a residential educational school placement. Of these 16 individuals, the average age is 16 years and the average length of time receiving Project supports is 5 years. There continues to be an annual increase of Project participants who are identified as requiring an intensive level of supports across all settings of their home, school, and community. The Project placement rate to residential schools is 4% of total FY07 participants.

The ensuing graph shows the yearly withdrawal rate of project participants who have withdrawn from the Project for a residential special education placement. As you will note, the residential school placement rate for the Project remains consistently low.

Residential School Placement Rate



The yearly placement rate to a residential school ranges from 3% to 6% of the total participants in that fiscal year. To date this amounts to a total residential school placement rate of 4% for the Project. As previously noted, Project participants require an intensive level of supports across all settings. It is anticipated that for some children and their families, for differing reasons, a residential school placement becomes necessary.

Following is a listing of reasons why families in fiscal year 07 chose to leave the Project for a residential school placement despite intensive in-home and community supports.

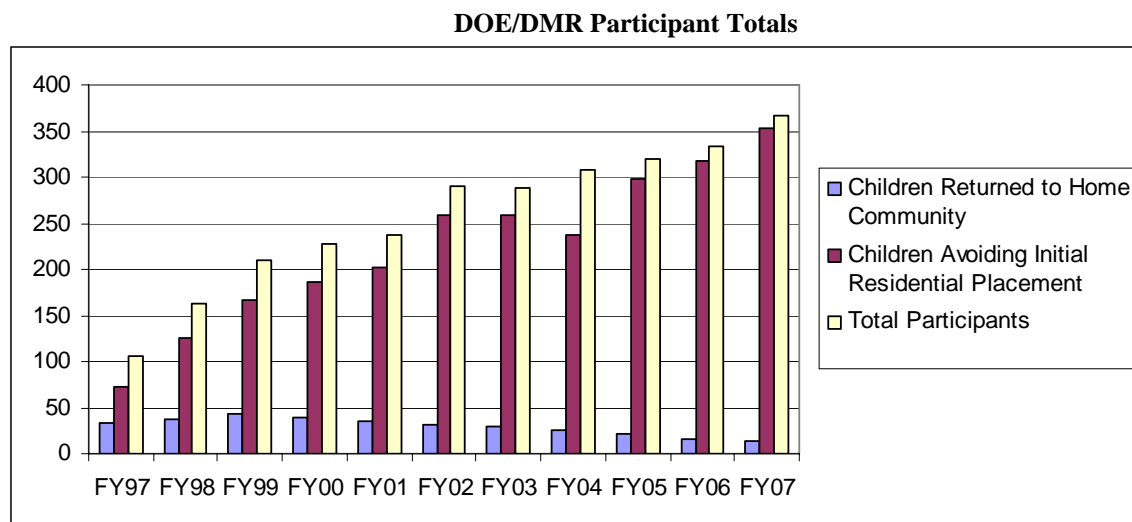
- ❖ Expulsion from day school placement due to escalating aggression towards peers and teachers

- ❖ Psychiatric hospitalization as a result of unsafe behaviors to self, peers and family
- ❖ Requiring 24/7 structure across all settings (home, school, community) due to increased aggression, unsafe behaviors and lack of educational progress
- ❖ Single parent unable to provide needed level of support to safely maintain child in the home.
- ❖ Increase frequency of unsafe and aggressive behaviors towards younger siblings in the home and lack of educational progress in their school program.

At the conclusion of FY07, 343 students remained successfully supported in their home and community or transitioned into adult support services. Based on the FY07 participant total of 366 students, the retention rate for the Project in FY07 is 96%.

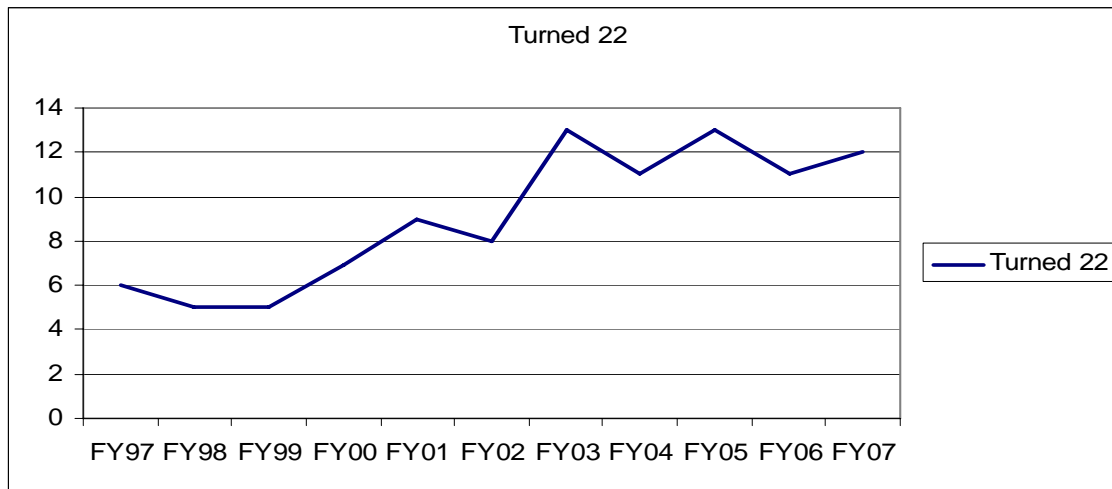
CUMMULATIVE DATA INFORMATION

The Project data tracks a variety of information regarding fiscal year activities and outcomes such as participant totals, Turning 22, demographics and fiscal application rates. This array of data information is helpful in showing the broader picture of the Project's continued success.



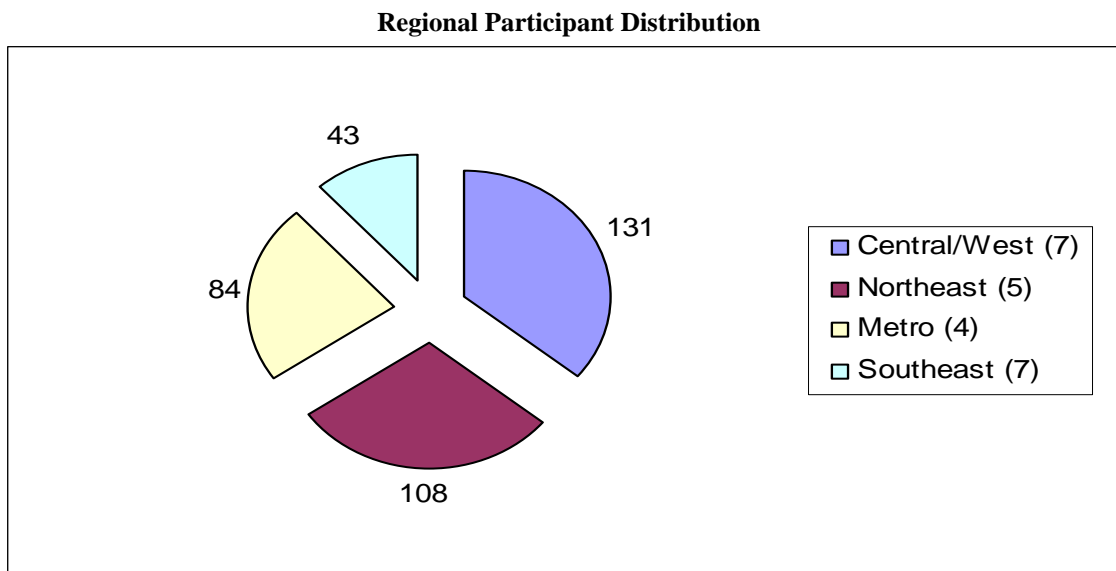
As the above graph shows, the request for prevention of a residential school placement is much higher than for those students who return home from a residential school placement. In each fiscal year, there are a few new participants who return home from a residential school placement and receive Project supports. However the participant rate for this group continues to remain low. It should also be noted that many of the earlier residential return participants have since turned 22 and aged out of the Project. In FY07 there were four new residential return students. This graph also illustrates that the high demand for preventative supports is indicative of families desire to support their child in their home and community by accessing an individualized plan of supports and resources rather than seek a residential educational school placement for their child.

The Turning 22 rate for Project participants is illustrated to show the yearly number of participants who Turn 22 and have moved into the adult support system.



Given the age span for DOE/DMR participants (6-22), it is expected that the number of participants who turn 22 and age out of the Project will vary from fiscal year to fiscal year.

The Project is a statewide program, therefore, the distribution of participant's spans across all areas of the State. This chart shows, of the 4 DMR regions across the state, the distribution of Project participants. It should be noted that the Central/West Region is the merging of two regions, thus the higher number of participants. Statewide there are 23 DMR area offices. The number of area offices within each region is noted in parentheses next to the regional name. Each Area Office has at least one if not several participants.



FISCAL OUTCOMES

The FY 07 educational services foundation cost is \$33,700. The DOE/DMR reimbursement rate to school districts is 72% of the student's special education services beyond the foundation cost (\$33,700). Per DOE, the average residential cost in FY07 for students in residential placement is \$111,745 (n=1335). Given this reimbursement formula, the average DOE reimbursement cost to the school district amounts to \$56,192. The average school district cost beyond their \$33,700 foundation cost in FY07 is \$55,553. As a result, the DOE reimbursement rate amounts to a 51%- 49% cost share for DOE and the school district.

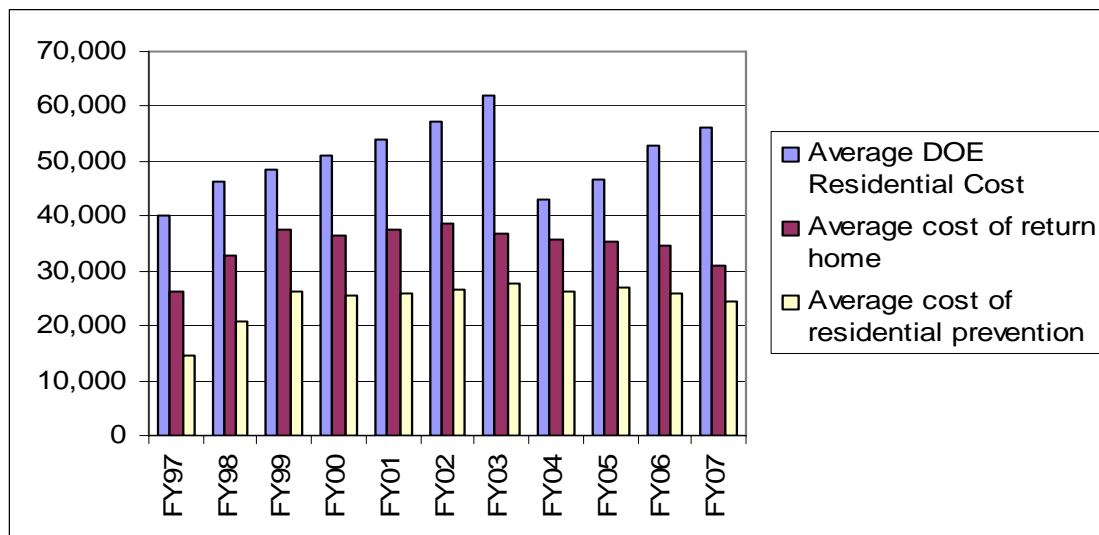
Of the DOE/DMR students seeking flexible supports as an alternative to initial residential school placement, the average per participant cost for these supports is \$24,425 (based on annual allocation n= 265). The median reimbursement cost that DOE paid for a residential school placement in FY07 is \$56,192.

Therefore the DOE/DMR expenditures indicate an approximate 57% reduction in supporting these students in their home community versus the average cost if these individuals had chosen residential educational care options. For DOE this cost reduction results in approximate savings of \$8,418,255 for FY07.

For those students in FY07 requiring intensive support services when they return home from a residential school placement and receive cost effective flexible family supports in their home communities, the average cost is \$31,149 (based on annual allocation n= 13). Had these students remained in their residential school placement, DOE would have paid an average of \$56,192 per student in FY06. This is a 45% reduction in cost resulting in average savings to DOE of \$325,559.

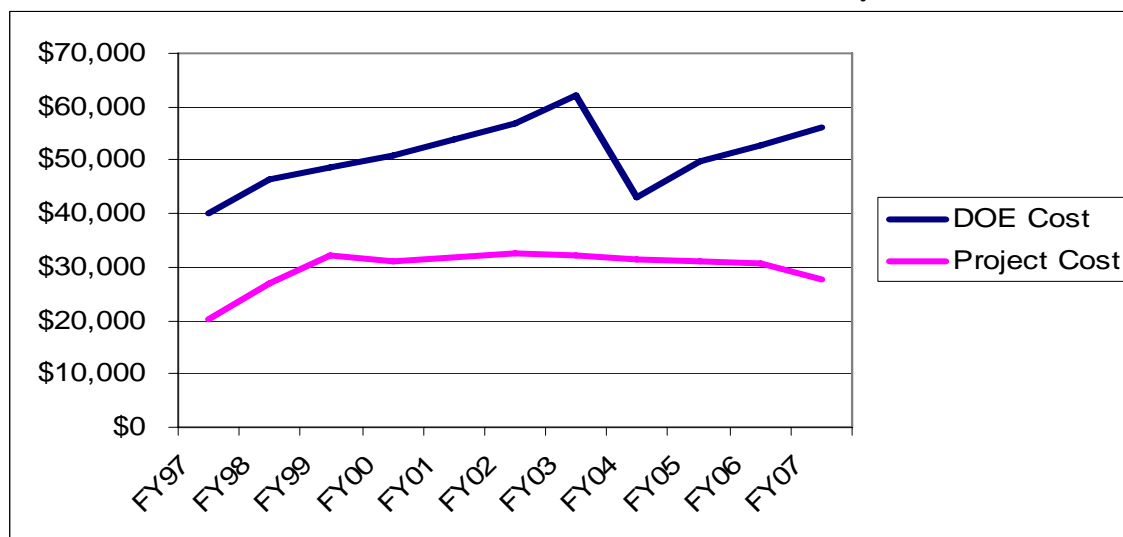
The ensuing charts show the fiscal outcomes of the DOE/DMR Project. These successive charts clearly show the Project's cost effectiveness, ability to moderate yearly participant costs, as well as provide savings to the state.

Residential Cost Differential



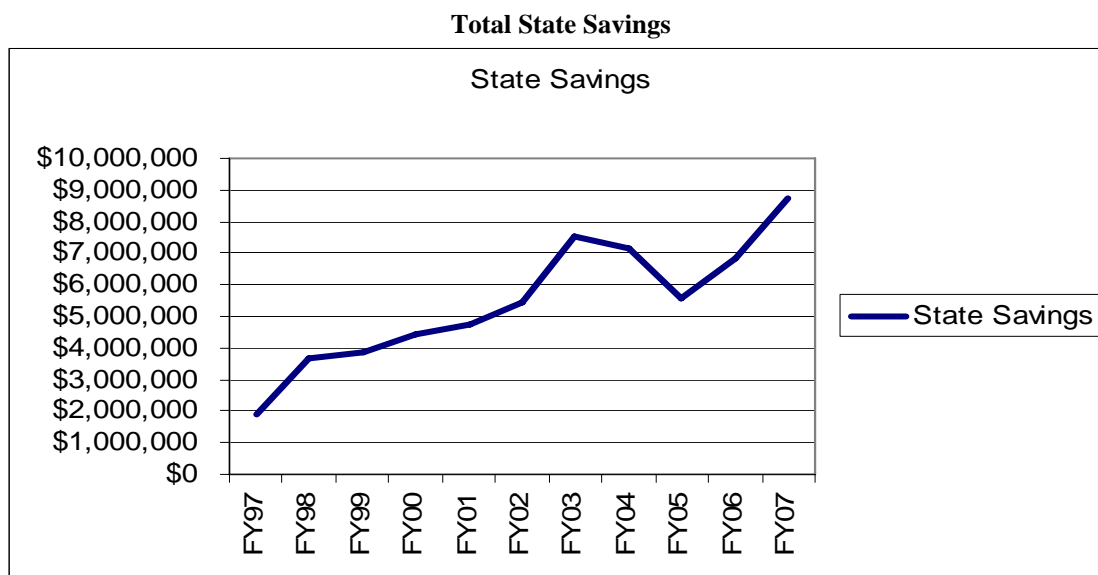
*As of FY04 and forward, the DOE residential costs are reflective of the new reimbursement structure as opposed to the previous fiscal years that showed the 50%-50% cost share with school districts.

DOE Residential Cost and DOE/DMR Home Community Cost



*Project costs are the combined average cost of both residential return participants and residential prevention participants (\$27,787). The 04 DOE cost is an estimated reimbursement cost.

Based on the average DOE student cost and the lower, more effective home and community support cost for Project participants, the yearly savings to the state is reflected in the following table.

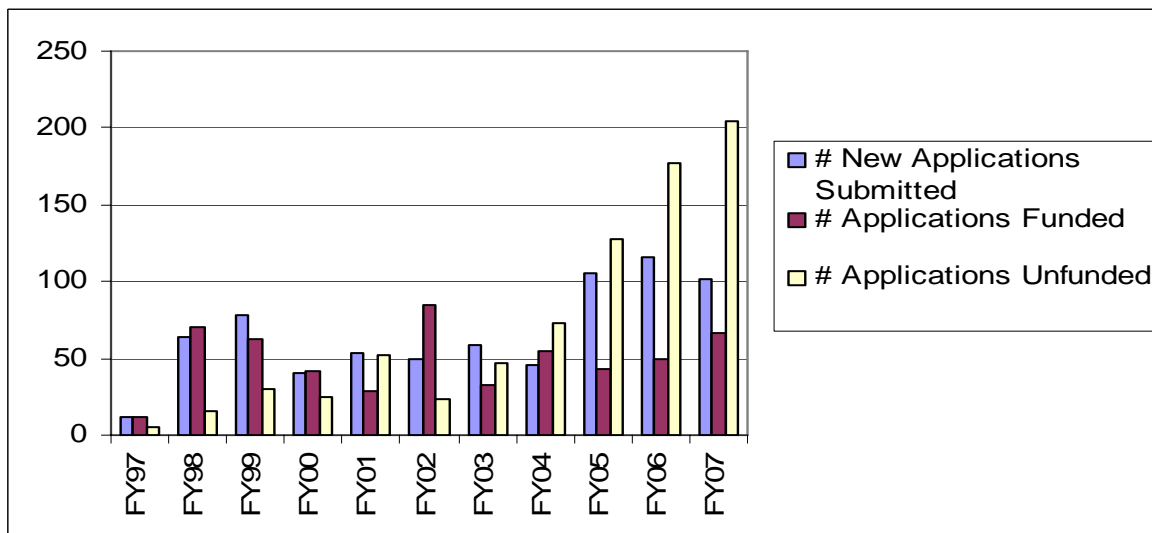


*The 04 savings cost was based on the DOE estimated reimbursement cost and therefore it is not an accurate reflection in comparison to other fiscal years. The combined savings of residential return home and residential prevention participants in FY07 totaled \$8,743,813. This amounts to a \$2,130,350 increase from FY06 (\$6,613,464).

PROJECT CAPACITY

The number of applications submitted for Project participation continues to exceed the amount of available funding. In FY07, 66 new students were added to the Project. The success of the Project and the high demand for participation is a clear indicator that students and their families benefit and want the opportunity to be meaningfully included in their home, community and schools. As of June 30, there are 202 preventive applications waiting for funding availability. In FY07, the average wait time for funding a preventive application was 2 years. This is a 6 month increase from FY06. Without sufficient funding to fully support the application demands, the alternative for families is to pursue an out of home placement. During the course of FY07, 6% of the pending applicants, withdrew their application and moved to a residential school placement. The longer an applicant waits for Project supports, the more likely the Project will continue to see a rise in applicants moving to a more restrictive and costlier residential school placement.

The following chart shows the number of applications submitted and funded for DOE/DMR Project Participation.



At the start of FY07 there were 123 pending applications that rolled over from FY05 (50) and FY06 (98). During FY07, there were 12 waiting applicants that withdrew their application for a residential school placement and the Project received an additional 101 new applications. At the end of FY07, there are 4 unfunded applications remaining from FY05, 98 from FY06 and 104 applications for 07. In total, there are 206 applications pending for the start of FY08.

During the course of the fiscal year 07, unplanned savings that occurred from participant allocations for varying reasons such as: cost changes, change in support needs, services or resource gaps, etc. were returned to the Project to fund additional pending applications and to support current participants in need of additional funds.

ADDITIONAL COMMENTS RELATED TO THE PROJECT AND POLICY CONSIDERATIONS

1. The consumer satisfaction and positive comments from families attest to a highly successful Project and to the philosophy that forms the basis of these services in that families need to be integrally involved in choosing the services they need to successfully support their child in his or her school, home and community. Families know best their strengths, competencies, capacities, and needs of their child. They are in the best position to know what will help them support the needs of their child. The positive outcomes that this project has had on families have been acknowledged in routine and non-routine fashion. Some examples of family comments are:

“Everything is coming together. Our son is doing great in school....I feel empowered. We are able to go out into the community. Chad’s communication has improved- he’s talking a lot. From the bottom of my heart, I’m thankful for everything the Project provides for Chad.”

“Our decision to have Sean return home from a residential school was in part based on his continuing to have behavior problems at school and not sleeping well away from home. Sean’s participation in the DOE/DMR has helped provide him the needed supports so that he can live at home and be an involved member of his local community... Sean has made friends in his local community through his Thursday afternoon and school vacation activities. Sean is now sleeping well at home, has no behavioral issues at school, and is off all medication. We were particularly proud at a recent awards ceremony at school where he “scoffed” three awards. The one we were most proud of was an award for “Kindness towards his peers”.

Sean’s involvement in the DOE/DMR Project has helped tremendously in Sean’s successful transition home.”

“I don’t know how I could possibly put in a quote the impact that this Project is having on us. Prior to funding we were in “survival mode”. We were living minute to minute almost second to second with the debilitating and devastating effects of autism.The supports of the DOE/DMR have changed our quality of life immensely. ...Our son has the gift of talented support staff to guide him and teach him. We are able to keep our son out of a residential placement to be with the family who loves him. We have gone from a household with a self injurious and aggressive child to a child who now smiles and minimally hurts himself and others. Thanks for giving us back our child!!!”

“Since Evan returned from his residential school placement a year ago and began to receive the DOE/DMR supports, the quality of his life and our family’s life has more than tremendously improved. The supports of the DOE/DMR have allowed Evan a better quality of life socially, developmentally, and within his community at large. The outstanding support, care, advice, coordination of our case manager has been phenomenal.... We are very appreciative of the DOE/DMR support and the positive impact it has made on Evan and our family’s life,

2. Given the continued success of the Project and the intensive support that it offers families as well as improved collaboration with local school districts, the demand for participation continues to increase beyond the available funding resources of the Project. The Project supports are most effective when they are provided in a timely manner. The longer an applicant waits for available funding, the Project’s ability to effectively support the individual in his or her home and community is minimized. In FY07 there were 12 pending applicants who withdrew for a residential educational placement. At this time, the anticipated wait time before funding is available to support a pending applicant is 2 years. Based on the criteria for

Project participation, Project applicants require an intensive level of supports across all settings. As one can appreciate, the stress level for these families is enormous. In order to avoid a more costly and restrictive out of home residential school placement, it is important that there be sufficient resources readily available in order to effectively support Project applications within a reasonable time frame.

3. The increasing prevalence of autism is also evident by the number of Project participants who are identified as having Autism Spectrum Disorder (ASD). Of the participant total in FY07, 67% of the participants have an ASD diagnosis. Children with ASD require a high level of intensive and coordinated supports across all spectrums of special education, home and community. To insure consistency and understanding, it is suggested there be a coordinated discussion with regards to the appropriate service models that can best meet the extensive needs of children with ASD and their families.
4. In FY07, due to a strengthened monitoring review process, the Project was able to capture savings earlier in the year. These savings allowed the Project to approve an additional 36 new participants as well provide one time additional funds to existing participants in need of additional support.
5. DMR continues to move forward in implementing the recommendations of the workgroup. In FY 07, new DOE/DMR families were invited to participate in the piloting of an assessment tool that would be used to assess participant level of need and funding allocation. The development of this standardized assessment tool will insure that DOE/DMR participants receive the appropriate level of supports needed to support them in his or her home, and community. The utilization of a formal assessment process will also add an additional level of fiscal management of Project allocations. It is anticipated that this assessment tool will be formally operational for newly approved participants in FY08.